

**PROPOSED REGULATION OF THE
COMMISSIONER OF FINANCIAL INSTITUTIONS**

LCB File No. R054-16

May 3, 2016

EXPLANATION – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: §1, NRS 604A.300 and 604A.740; §2, NRS 649.053, 649.295 and 658.101; §3, NRS 658.096, 658.101 and 658.105; §4, NRS 658.101, 669.250 and 669.270; §5, NRS 658.101, 671.030 and 671.120; §6, NRS 658.101, 673.043 and 673.430; §7, NRS 658.101, 675.170 and 675.400; §8, NRS 676A.730; §9, NRS 658.101, 677.380 and 677.430; §10, NRS 678.250 and 678.270.

A REGULATION relating to financial institutions; revising the hourly fees paid by banks and other financial institutions to the Commissioner of Financial Institutions; revising the method of calculation of an annual fee collected by the Commissioner from certain depository institutions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Commissioner of Financial Institutions to establish by regulation rates and fees to be paid by banks and other financial institutions for supervision and examinations by the Commissioner or the Division of Financial Institutions of the Department of Business and Industry. (NRS 658.101, 676A.730, 678.270) **Sections 1-7, 9 and 10** of this regulation increase the hourly fees previously set by the Commissioner for an audit, examination, investigation or hearing conducted by the Division of such banks and other financial institutions to \$75 per hour. **Section 8** of this regulation: (1) decreases the hourly fee for such an examination of a registered provider of debt-management services from \$100 to \$75; and (2) prescribes the hourly rate of \$75 for the fees for any such audit, investigation or hearing of a registered provider of debt-management services conducted pursuant to the statutory provisions governing debt-management services.

Pursuant to Assembly Bill No. 493 of the 2003 Legislative Session, the Division generally began operating as a self-funding Division rather than pursuant to appropriations from the State General Fund. (Chapter 491, Statutes of Nevada 2003, at page 3225; NRS 658.091, 658.098) **Sections 3, 6, 9 and 10** of this regulation revise existing regulations to: (1) comport with that statutory change; (2) revise the method of calculation of the annual fee for supervision and examinations collected by the Commissioner from banks, savings and loan associations, thrift companies and credit unions; and (3) prescribe the base amount and any amount exceeding that base amount for a bank, savings and loan association, thrift company or credit union whose total assets are \$20 billion or more.

Section 1. NAC 604A.090 is hereby amended to read as follows:

604A.090 1. The nonrefundable application fee required pursuant to NRS 604A.600 is \$400 plus \$100 for each additional license for a branch location at which the applicant proposes to operate under the applicant's license.

2. The additional application fee required pursuant to NRS 604A.600 is \$375 plus \$75 for each additional license for a branch location at which the applicant proposes to operate under his or her license. The Commissioner may refund the fee on a prorated basis if:

- (a) An applicant withdraws his or her application before the Commissioner acts on the application;
- (b) The Commissioner deems an application to be withdrawn because the applicant fails to submit all information and fees required to complete the application within the period set forth in NRS 604A.600; or
- (c) A licensee surrenders his or her license pursuant to NRS 604A.840 during the licensee's first year of licensure.

3. The fee to renew a license required pursuant to NRS 604A.640 is \$375 plus \$75 for each branch location at which the licensee is authorized to operate under the license.

4. The fee for reinstatement of an expired license as set forth in NRS 604A.640 is \$150 plus \$50 for each branch location at which the licensee is authorized to operate under the license.

5. The hourly fee authorized in NRS 604A.740 for supervision, audit, examination, investigation or hearing is ~~\$60.~~ \$75.

6. The late fee for each day a licensee fails to submit a report required pursuant to the provisions of chapter 604A of NRS, as set forth in NRS 604A.760, is \$10.

7. The Commissioner shall bill each licensee for any fee or assessment imposed pursuant to the provisions of this chapter and chapter 604A of NRS. The licensee shall pay the fee within 30 days after the date the licensee receives the bill. Except as otherwise provided in this subsection, any payment received after the date due must include a penalty of 10 percent of the fee, plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

Sec. 2. NAC 649.060 is hereby amended to read as follows:

649.060 1. The Commissioner of Financial Institutions will charge and collect a fee of ~~\$60~~ \$75 per hour from each collection agency for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 649 of NRS.

2. The Commissioner will bill each collection agency upon the completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date on which the bill is received. In addition to any other fee allowed by this chapter or chapter 649 of NRS, and except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. Failure of a collection agency to pay the fee required in subsection 1 as provided in this section constitutes grounds for revocation of its license.

Sec. 3. NAC 658.010 is hereby amended to read as follows:

658.010 1. On or before June 30 of each year, the Commissioner of Financial Institutions will collect a fee from each bank for the supervision and examination of the bank pursuant to chapters 657 to 668, inclusive, of NRS.

2. The fee is based on the portion of the annual ~~appropriation from the State General Fund to budget approved by the Legislature for expenses related to the operations of the Commissioner and~~ the Division of Financial Institutions ~~that is attributable to the supervision and examination of banks.] minus all other revenues collected by the Division, not including reserves.~~ Each bank shall pay a share of that amount as determined by the following schedule:

<u>Total Assets</u>	<u>Base Fee</u>	<u>+ Fee Exceeding Base</u>
Less than \$5,000,000	\$5,000	N/A
\$5,000,000 or more, but less than \$10,000,000	5,000	\$.25 per thousand of assets exceeding \$5,000,000
\$10,000,000 or more, but less than \$50,000,000	6,250	\$.19 per thousand of assets exceeding \$10,000,000
\$50,000,000 or more, but less than \$100,000,000	13,850	\$.12 per thousand of assets exceeding \$50,000,000
\$100,000,000 or more, but less than \$500,000,000	19,850	\$.10 per thousand of assets exceeding \$100,000,000

\$500,000,000 or more, but less than \$1,000,000,000	59,850	\$.07 per thousand of assets exceeding \$500,000,000
\$1,000,000,000 or more, but less than \$3,000,000,000	94,850	\$.05 per thousand of assets exceeding \$1,000,000,000
\$3,000,000,000 or more, but less than \$10,000,000,000	194,850	\$.03 per thousand of assets exceeding \$3,000,000,000
\$10,000,000,000 or more, but less than \$20,000,000,000	404,850	\$.02 per thousand of assets exceeding \$10,000,000,000
\$20,000,000,000 or more	604,850	<i>\$.01 per thousand of assets exceeding \$20,000,000,000</i>

Any adjustment to the fee ~~required to account for the distribution of unused portions of or increases in the annual appropriation from the State General Fund~~ must be made in a proportionate amount that is based on the relationship that the fee determined for each bank ~~[pursuant to paragraph (a)]~~ bears to the total fee imposed on all banks licensed pursuant to chapters 657 to 668, inclusive, of NRS. *The fee is calculated as of June 1 of each year based upon the number of banks and the total assets of each bank as of December 31 of the previous year.*

3. If the fee is not paid on or before June 30, the Commissioner will assess a penalty of 10 percent of the amount of the fee and an additional 1 percent of the fee for each month or portion of a month that the fee is not paid. The Commissioner may waive the penalty for good cause.

4. The fee does not include the cost of any extraordinary examination, audit, investigation or hearing conducted by the Division. The cost of any such examination, audit, investigation or hearing is ~~\$60~~ \$75 per hour.

Sec. 4. NAC 669.010 is hereby amended to read as follows:

669.010 1. The Commissioner of Financial Institutions will charge and collect a fee of ~~\$60~~ \$75 per hour from each trust company for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 669 of NRS.

2. The Commissioner will bill each trust company upon the completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date the bill is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. Failure of a trust company to pay the fee required in subsection 1 as provided in this section constitutes grounds for revocation of its license.

Sec. 5. NAC 671.010 is hereby amended to read as follows:

671.010 1. The Commissioner will charge and collect a fee of ~~\$30~~ \$75 per hour from each licensee for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 671 of NRS.

2. The Commissioner will bill each licensee upon the completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date the bill is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. Failure of a licensee to pay the fee required in subsection 1 as provided in this section constitutes grounds for revocation of its license.

Sec. 6. NAC 673.020 is hereby amended to read as follows:

673.020 1. On or before June 30 of each year, the Commissioner of Financial Institutions will collect a fee from each savings and loan association for the supervision and examination of the savings and loan association pursuant to chapter 673 of NRS.

2. The fee is based on the portion of the annual ~~appropriation from the State General Fund~~ to budget approved by the Legislature for expenses related to the operations of the Commissioner and the Division of Financial Institutions ~~[that is attributable to the supervision and examination of savings and loan associations.] minus all other revenues collected by the Division, not including reserves.~~ Each savings and loan association shall pay a share of that amount as determined by the following schedule:

<u>Total Assets</u>	<u>Base Fee</u>	<u>+ Fee Exceeding Base</u>
Less than \$5,000,000	\$5,000	N/A

\$5,000,000 or more, but less than \$10,000,000	5,000	\$.25 per thousand of assets exceeding \$5,000,000
\$10,000,000 or more, but less than \$50,000,000	6,250	\$.19 per thousand of assets exceeding \$10,000,000
\$50,000,000 or more, but less than \$100,000,000	13,850	\$.12 per thousand of assets exceeding \$50,000,000
\$100,000,000 or more, but less than \$500,000,000	19,850	\$.10 per thousand of assets exceeding \$100,000,000
\$500,000,000 or more, but less than \$1,000,000,000	59,850	\$.07 per thousand of assets exceeding \$500,000,000
\$1,000,000,000 or more, but less than \$3,000,000,000	94,850	\$.05 per thousand of assets exceeding \$1,000,000,000

\$3,000,000,000 or more,	194,850	\$.03 per thousand of
but less than		assets exceeding
\$10,000,000,000		\$3,000,000,000

\$10,000,000,000 or more,	404,850	\$.02 per thousand of
but less than		assets exceeding
\$20,000,000,000		\$10,000,000,000

\$20,000,000,000 or more ***604,850*** ***\$.01 per thousand of assets***
exceeding \$20,000,000,000

Any adjustment to the fee ~~required to account for the distribution of unused portions of or increases in the annual appropriation from the State General Fund~~ must be made in a proportionate amount that is based on the relationship that the fee determined for each savings and loan association ~~pursuant to paragraph (a)~~ bears to the total fee imposed on all savings and loan associations licensed pursuant to chapter 673 of NRS. ***The fee is calculated as of June 1 of each year based upon the number of savings and loan associations and the total assets of each savings and loan association as of December 31 of the previous year.***

3. If the fee is not paid on or before June 30, the Commissioner will assess a penalty of 10 percent of the amount of the fee and an additional 1 percent of the fee for each month or portion of a month that the fee is not paid. The Commissioner may waive the penalty for good cause.

4. The fee does not include the cost of any extraordinary examination, audit, investigation or hearing conducted by the Division. The cost of any such examination, audit, investigation or hearing is ~~\$60~~ \$75 per hour.

Sec. 7. NAC 675.080 is hereby amended to read as follows:

675.080 1. The Commissioner of Financial Institutions will charge and collect a fee of ~~\$30~~ \$75 per hour from each installment loan company for any supervision, examination, audit, investigation or hearing conducted pursuant to chapter 675 of NRS.

2. The Commissioner will bill each installment loan company upon the completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date the bill is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 1 percent of the fee for each month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. Failure of an installment loan company to pay the fee required by subsection 1 as provided in this section constitutes grounds for revocation of its license.

Sec. 8. NAC 676A.260 is hereby amended to read as follows:

676A.260 1. The Commissioner will charge and collect a fee of ~~\$100~~ \$75 per hour from each registered provider for any examination, *audit, investigation or hearing* of the registered provider conducted pursuant to chapter 676A of NRS.

2. The Commissioner will bill each registered provider upon the completion of the activity for the fee established in subsection 1. The fee must be paid within 30 days after the date the bill is received. Except as otherwise provided in this subsection, any payment received after that date must include a penalty of 10 percent of the fee plus an additional 10 percent of the fee for each

month, or portion of a month, that the fee is not paid. The Commissioner may waive the penalty for good cause.

3. Failure of a registered provider to pay the fee required in subsection 1 as provided in this section constitutes grounds for revocation of the registration of the provider.

Sec. 9. NAC 677.310 is hereby amended to read as follows:

677.310 1. On or before June 30 of each year, the Commissioner of Financial Institutions will collect a fee from each thrift company for the supervision and examination of the thrift company pursuant to chapter 677 of NRS.

2. The fee is based on the portion of the annual ~~appropriation from the State General Fund to budget approved by the Legislature for expenses related to the operations of the Commissioner and~~ the Division of Financial Institutions ~~[that is attributable to the supervision and examination of thrift companies.] minus all other revenues collected by the Division, not including reserves.~~ Each thrift company shall pay a share of that amount as determined by the following schedule:

<u>Total Assets</u>	<u>Base Fee</u>	<u>+ Fee Exceeding Base</u>
Less than \$5,000,000	\$5,000	N/A
\$5,000,000 or more, but less than \$10,000,000	5,000	\$25 per thousand of assets exceeding \$5,000,000

\$10,000,000 or more, but less than \$50,000,000	6,250	\$.19 per thousand of assets exceeding \$10,000,000
\$50,000,000 or more, but less than \$100,000,000	13,850	\$.12 per thousand of assets exceeding \$50,000,000
\$100,000,000 or more, but less than \$500,000,000	19,850	\$.10 per thousand of assets exceeding \$100,000,000
\$500,000,000 or more, but less than \$1,000,000,000	59,850	\$.07 per thousand of assets exceeding \$500,000,000
\$1,000,000,000 or more, but less than \$3,000,000,000	94,850	\$.05 per thousand of assets exceeding \$1,000,000,000
\$3,000,000,000 or more, but less than	194,850	\$.03 per thousand of assets exceeding

\$10,000,000,000		\$3,000,000,000
\$10,000,000,000 or more, but less than	404,850	\$.02 per thousand of assets exceeding
\$20,000,000,000		\$10,000,000,000
\$20,000,000,000 or more	604,850	<i>\$.01 per thousand of assets exceeding \$20,000,000,000</i>

Any adjustment to the fee ~~required to account for the distribution of unused portions of or increases in the annual appropriation from the State General Fund~~ must be made in a proportionate amount that is based on the relationship that the fee determined for each thrift company ~~pursuant to paragraph (a)~~ bears to the total fee imposed on all thrift companies licensed pursuant to chapter 677 of NRS. *The fee is calculated as of June 1 of each year based upon the number of thrift companies and the total assets of each thrift company as of December 31 of the previous year.*

3. If the fee is not paid on or before June 30, the Commissioner will assess a penalty of 10 percent of the amount of the fee and an additional 1 percent of the fee for each month or portion of a month that the fee is not paid. The Commissioner may waive the penalty for good cause.

4. The fee does not include the cost of any extraordinary examination, audit, investigation or hearing conducted by the Division. The cost of any such examination, audit, investigation or hearing is ~~\$60~~ \$75 per hour.

Sec. 10. NAC 678.150 is hereby amended to read as follows:

678.150 1. On or before June 30 of each year, the Commissioner will collect a fee from each credit union for the supervision and examination of the credit union pursuant to chapter 678 of NRS.

2. The fee is based on the portion of the annual ~~appropriation from the State General Fund~~ to budget approved by the Legislature for expenses related to the operations of the Commissioner and the Division ~~that is attributable to the supervision and examination of credit unions.~~ minus all other revenues collected by the Division, not including reserves. Each credit union shall pay a share of that amount as determined by the following schedule:

<u>Total Assets</u>	<u>Base Fee</u>	<u>+ Fee Exceeding Base</u>
Less than \$5,000,000	\$5,000	N/A
\$5,000,000 or more, but less than \$10,000,000	5,000	$\$.25 \text{ per thousand of assets exceeding } \$5,000,000$
\$10,000,000 or more, but less than \$50,000,000	6,250	$\$.19 \text{ per thousand of assets exceeding } \$10,000,000$
\$50,000,000 or more, but less than \$100,000,000	13,850	$\$.12 \text{ per thousand of assets exceeding } \$50,000,000$

\$100,000,000 or more, but less than \$500,000,000	19,850	\$.10 per thousand of assets exceeding \$100,000,000
\$500,000,000 or more, but less than \$1,000,000,000	59,850	\$.07 per thousand of assets exceeding \$500,000,000
\$1,000,000,000 or more, but less than	94,850	\$.05 per thousand of assets exceeding \$1,000,000,000
\$3,000,000,000		
\$3,000,000,000 or more, but less than	194,850	\$.03 per thousand of assets exceeding \$3,000,000,000
\$10,000,000,000		
\$10,000,000,000 or more, but less than	404,850	\$.02 per thousand of assets exceeding \$10,000,000,000
\$20,000,000,000		
\$20,000,000,000 or more	604,850	\$.01 per thousand of assets exceeding \$20,000,000,000

Any adjustment to the fee ~~[required to account for the distribution of unused portions of or increases in the annual appropriation from the State General Fund]~~ must be made in a proportionate amount that is based on the relationship that the fee determined for each credit union ~~[pursuant to this subsection]~~ bears to the total fee imposed on all credit unions licensed pursuant to chapter 678 of NRS. *The fee is calculated as of June 1 of each year based upon the number of credit unions and the total assets of each credit union as of December 31 of the previous year.*

3. If the fee is not paid on or before June 30, the Commissioner will assess a penalty of 10 percent of the amount of the fee and an additional 1 percent of the fee for each month or portion of a month that the fee is not paid. The Commissioner may waive the penalty for good cause.
4. The fee does not include the cost of any extraordinary examination, audit, investigation or hearing conducted by the Division. The cost of any such examination, audit, investigation or hearing is ~~\$60~~ \$75 per hour.